

**MINUTES OF THE  
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING  
MONDAY, FEBRUARY 8, 2010, 2:00 P.M.  
Room 445, State Capitol**

Members Present: Sen. Howard A. Stephenson, Co-Chair  
Rep. Merlynn T. Newbold, Co-Chair  
Sen. Lyle W. Hillyard  
Sen. D. Chris Buttars  
Sen. Karen W. Morgan  
Rep. Tim M. Cosgrove  
Rep. Lorie D. Fowlke  
Rep. Kevin S. Garn  
Rep. Francis D. Gibson  
Rep. Gregory H. Hughes  
Rep. Rebecca D. Lockhart  
Rep. Marie H. Poulson  
Rep. Phil Riesen

Members Absent: Rep. Bradley G. Last

Staff Present: Ben Leishman, Legislative Fiscal Analyst  
Patrick Lee, Legislative Fiscal Analyst  
Karen C. Allred, Secretary

Public Speakers Present: Melva Sine, President, Utah Restaurant Association  
Tom Guinney, President, Gastronomy, Inc.  
Brenda Hales, Associate Superintendent, Utah State Office of Education  
Todd Hauber, Associate Superintendent, Utah State Office of Education  
Larry Shumway, Superintendent, Utah State Office of Education  
Kory Holdaway, Utah Education Association  
Ronald Mortensen, Citizens Coalition for Tax Fairness  
Kerry Dalling, Citizen, Representing Sen. Buttars  
Jackie de Gaston, Attorney  
Gayle Ruzicka, Eagle Forum  
Ron Rolfe, Superintendent, Morgan School District  
JanaLee Tobias, Citizen  
Brent Haymond, Representative, POPS  
Aleta Taylor, Education Manager, Discovery Gateway  
Cherie Rawlings, Former Teacher

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Newbold called the meeting to order at 2:15 P.M.

**1. Approval of Minutes**

There were no minutes to approve.

**2. Education Reform Options**

Sen. Buttars discussed his proposal for accelerated graduation that was presented in a previous meeting. No students will be required to graduate early. The proposal is almost like a scholarship, which will allow students who would like to finish high school sooner that opportunity, and incentives could be offered to encourage accelerated graduation. He stated that, if half of the students finished high school before the 12th grade, there would be a savings of 60% of the amount needed to be cut from the base budget. A handout was distributed which showed 10 items that have the potential to cover the shortfall without using any one-time funds, cutting agency benefits, bonding, or using Federal Funds.

Co-Chair Newbold asked for more details on the flexible incentives and if paying money out for incentives reduces the amount of savings, or is it included in the number he shared. Sen. Buttars is recommending that a student take accelerated graduation and keep the college credit cost incentives, and distance or online learning. Neither of these programs would cost any more than if they didn't graduate early.

Co-Chair Stephenson asked where it is that students would take college credit, having left the twelfth grade and will it cost Public Education. He feels that there would be a significant cost difference between taking a class in high school for college credit, or taking it at the college. Sen. Buttars responded that an incentive would be that it would not cost the student college prices but they can take classes as a freshman. Co-Chair Stephenson asked if the student pays the high school rate for the university credit, would the State have to find money to fund the tuition cost? He also commented on the student busing potential proposal, which is one of the 10 items listed on the handout. Sen. Buttars replied that there may be additional cost but the net effect would still be a savings, and concerning busing, the schools would choose routes that need to be discontinued if the buses are not utilized. Co-Chair Stephenson commented that the high school flexible spending is something worthy of our review.

Sen. Buttars commented that in the newspaper today there was an article concerning his proposal on the accelerated graduation. If half of the student took advantage of accelerated graduation, every dollar saved is a dollar the state doesn't have to cut.

Rep. Poulson commented that many of the 12th graders have chosen to graduate early with a program already in place and asked how Sen. Buttars' program differs. Sen. Buttars responded that it formalizes that option and gives incentives to students. Sen. Buttars commented that he is trying to find the money that needs to be cut, and keep the programs in Public Education in tact.

Sen. Hillyard asked if students can already graduate early and asked about fixed costs. With less students the fixed costs are still there. He commented that Higher Education's growth is already greater than Public Education, and this proposal would have a serious impact on Higher Education. Sen. Butters replied that his proposal formalizes early graduation and gives incentives, and that there would not be a need to build more buildings.

Sen. Morgan asked Sen. Butters to elaborate on how this would formalize the process already in place and asked about the incentives. She asked if the program would retain the same core high school requirements needed to graduate, and that AP classes can accomplish earning college credit while in high school. Sen. Butters responded that students can take college credits at the same cost in their freshman year in college, and believes there should be consideration on dropping some electives and taking more core classes.

Rep. Fowlke asked if Sen. Butters proposal would have to be in effect for a year or two before any savings would be seen, because people would need to know the program is in place. She asked how students currently in the 11th grade could take advantage of the accelerated graduation. Sen. Butters responded that everyone will know by word of mouth, and if an 11th grader was eligible, they could take advantage of the early graduation or take the 12th grade.

Rep. Hughes asked if it is a concern that Sen. Butters proposal has come with such resistance from the education community and is it worth proceeding if those benefitting from this proposal don't seem to agree. He commented that he is surprised that some say this is already being done. If it isn't a drastic departure in policy and if it is a savings, then why not accept this proposal. Sen. Butters responded that since there is no pressure to change, everyone is a winner. It is time we started thinking differently. He commented that maybe the cuts are not frightening enough to prevent this opposition, and whatever is the best use of the dollar, is what needs to be considered.

Co-Chair Newbold asked if there is a bill file open on his proposal. Sen. Butters responded that there is.

#### **4. Pro start Culinary Program.**

Melva Sign, President, Utah Restaurant Association, and Tom Guinney, President, Gastronomy Association, distributed a handout to the subcommittee. The Pro Start Culinary Program has been in place since 1996. The program supports Utah's Own and Utah's Own goes with them to promote local growth through the PRO Start program. This is a two year high school program that prepares students to go out in the work place, or on to Culinary Schools. There are over 1200 students at 49 high schools participating in the program, which is an increase from last year. Most high schools have a waiting list. This program allows students to become CERT safe and Food safe. The budget request is the same as last year so the program can give full training, mentoring, and certifying of teachers. Every

year there

is a career fair which brings schools and industry together to help students know the opportunities available to them.

Tom Guinny, President, Gastronomy mentors students in this program. This program provides the opportunity and a starting point to enter a career in the hospitality industry that can lead to an amazing amount of success.

Sen. Morgan expressed appreciation for this wonderful program and has had opportunity to sample excellent meals.

Co-Chair Newbold asked if the Restaurant Association provides intern hours, as well as a financial contribution to the program. Ms. Sign responded that they do provide intern hours and a financial commitment, by providing the administration needed to support the training in the program. The Restaurant Association provides in school training as well as a specialized training for one week in the summer.

Sen. Stephenson complimented the program.

Co-Chair Stephenson announced a Brain Summit and distributed handouts to the subcommittee.

#### **4. ISee Provider Follow-up on Discovery Gateway Program**

Brenda Hales, Associate Superintendent, Utah State Office of Education, explained the Discovery Gateway Program. It is a science program with two parts. Reaction Time is for 5th graders, to help them understand chemistry, followed up with a quiz. This program is a wonderful way to involve students in science and has been a great success. Only 3% of the students ready for a STEM program, actually want to go into that program. The second is the Chain Reaction program for teachers. During the spring last year, management changed and an employee complained that the change was causing mismanagement of funds. It was investigated and there was no mismanagement of funds. The Fiscal Analysts Office did a follow up with the same results. The program is using presenters that have excellent credentials, and are using funds properly. Ms. Hales feels that employees were dissatisfied with the style of the new management.

Rep. Cosgrove asked about the iSEE Education Outreach and asked what the budget cut mean to Discovery Gateway. Ms. Hales responded that only 3% intend to have a STEM career and the way to counteract that is to give students hands-on experience. When the science outreach program is eliminated, it eliminates students the opportunity to get introduced to and interested in science. Rep. Cosgrove commented it is too hard to make these cuts in science, it has taken so long to get this program going.

Rep. Newbold asked if the teachers who participated in the program were as satisfied as in other years. Ms. Hales responded that the data shows that teachers have been more satisfied.

**5. FY 2009 Flexibility Implementation in District and Charter Schools**

Todd Hauber, Associate Superintendent for Business and Finance, Utah State Office of Education, explained how schools implemented the flexibility given them last year. During 2009, the Legislature amended Section 146 of the Minimum School Program Act, which allowed school districts to have flexibility to move funds around within their budgets. The flexibility provided was limited to the Minimum School Program. Twenty-five school districts and 21 charter schools used this flexibility. In the annual program report that each school district provides, a schedule was created to show where monies were taken from. Thirty-five percent of transfers were from carry forward balances from the prior year and 65% came from current appropriations.

Rep. Newbold commented that it was her understanding that the Special Education add on had to be spent for Special Education. Mr. Hauber responded that the state requirements were waved, which included this program. Maintenance of Effort suggested this was not appropriate and the USOE is waiting for more information. Rep. Newbold commented that it was surprising that school districts were transferring funds from Special Education since the subcommittee has been accused of not funding Special Education properly. Mr. Hauber responded that some of the funds were carry over funds.

Sen. Butters asked for clarification that the money was taken out of Special Education, which is underfunded to begin with, and where the carry forward balances were transferred to. Mr. Hauber responded that the operations were not affected, but the carry forward balances were transferred by districts. He does not have the information on where the funds were transferred to.

Co-Chair Stephenson asked for clarification to make sure that the subcommittee understands what happened. His understanding is that the balances that existed in the Special Education account were utilized for other purposes, but that does not suggest that the funding was reduced in that year's Special Education budget. The districts looked at pockets of reserves, and funded other things, but Special Education was not reduced any more than other programs. Mr. Hauber responded that in that operating budget that may not have been the case, school districts were able to maintain operation levels. The reserve balances are held on to in case a high cost students comes into the system. Co-Chair Stephenson wanted to make sure the public understands that Special Education funding was not slashed. Superintendent Shumway responded that last years budgets were cut, flexibility to districts was given, and the local boards examined where money was available and moved it around. It is hard for us to second guess how school boards used the flexibility given them and not to make judgements. They did the best they could, we cannot second guess. Co-Chair Stephenson would like an assurance that Special Education

programs did not disproportionately suffer any more than other programs. Superintendent Shumway responded that he can operationally assure that they did not.

Mr. Hauber continued with his explanation of the districts flexibility implementation. Flexibility was not uniform across all school districts and charter schools, but tailored to each need. Districts would like all funding to have flexibility not just Section 146 funds. Section 146 transfers may have been used to build other balances within the school districts but the USOE can not conclude whether that took place or not.

Rep. Lockhart asked if the USOE has details of each district's transfers and is it public information that a district can provide, if asked. Mr. Hauber responded that the USOE asked where transfers came from, but not where they were transferred to, he assumed transfers were taken as a reduction. The information is public and can be provided by a district.

## **6. Public Comment**

Kory Holdaway, Utah Education Association, commented that the subcommittee needs to be aware of where the transfers left the reserve accounts for the local school districts with the shortfall of last year. He assumes that would clean out those reserves.

Kerry Dalling, Citizen, commented on Sen. Butters' proposals for accelerated graduation and busing.

Ron Mortenson, Citizens Coalition for Tax Fairness, commended Sen. Butters for thinking outside the box. Three years ago the Senate passed a bill which allowed early graduation and it passed in the Senate, but failed in the House. Looking at growth and how to fund it with an added budget shortfall is hard, and if that bill had already been in effect, the shortfall problems would have already been taken care of. Tax payers funds are limited and he encourages the subcommittee's serious consideration of Sen. Butters' proposals.

Jackie de Gaston, Attorney, congratulated Sen. Butters on his proposal. She grew up in California and students were allowed to leave after 10th grade and go to Jr. college. Some of her children graduated early and went on for college degrees and advanced degrees.

Gayle Ruzicka supports Sen. Butters proposals and especially the accelerated graduation. It might be slow the first couple of years, but each year there will be a huge increase of early graduates. She also supports the bus proposal and feels a lot of money could be saved because very few students are riding the bus, so many students drive or are driven.

Ron Rolfe, Superintendent, Morgan School District, distributed a handout to the committee and addressed the value of the senior year. He has 170 students on the rolls at Morgan High

School. He looked at what courses they were taking. There were 54 in AP classes and 15 in Concurrent Enrollment. His perception is that it is similar to seniors in other high schools. A number of students are taking Ed-net classes, some in AP, and a few graduating early, shows that the senior year is valuable to students. Co-Chair Stephenson asked if the article he distributed contained the data he gave. Superintendent Rolfe replied that it did.

JanaLee Tobias, is excited about the new proposals by Sen. Buttars, especially if it doesn't include a tax increase. She commented on busing. The bus picked up six students in her area and could have picked up 20 more if they would have extended the boundary. She commented that the buses need to be filled, the boundaries extended, or have busing cut. She urged the subcommittee to consider cutting buses and not raise taxes.

Brent Heyman, Representative, POPS, served in the legislature in the 1990's and was responsible for initiating the Concurrent Enrollment. He learned that to graduate in 11th grade there are definite things that have to be done in the 9th grade, and keying up students and parents for that was almost impossible. Implementing Concurrent Enrollment at that high school level, was the cheapest way to get some college education. All of the graduating class at the high school in Eureka graduated with at least one year of college. Concurrent Enrollment is a mechanism for students that want to leave school early, and yet be away from the university campus while being taught college classes. All come out winners.

Aleta Taylor, Education Manager, Discovery Gateway, spoke as a parent and also as City Council person. Jordan School District taxes were raised 20% and it looks as it may happen again. She encouraged the subcommittee to consider the ideas that have been presented. If the budgets can't be cut at the state level, how can budget cuts be expected at the local level? By formalizing the opportunity to allow students to graduate early will help everyone to see what the options are. If it works in practicality, that accelerated graduation is really an option, it is a practical option. She stated that busing is also a good option.

Co-Chair Stephenson asked if the Canyons School District has more involvement, and support from City Councils. Because the Canyons District was created by the cities, the city has ownership from the district and requires accountability. He asked about one of the proposals, which is a tax increase for growth, brought to the Jordan School District, which is to switch to a third semester, and with the savings reduce the size of the tax increase. He asked what the city is doing to stimulate that type of thinking. Ms. Taylor responded that as a City Council member she feels like she is walking a tight rope and would very much support anything that cuts the budget and allowed money to go back to the qualified teachers in the classroom and less money to administrators. Teachers need to be treated as professionals, and the City Council is for any program that will do so, and save money in the classroom. She feels like they have a broken system in the school district.

Cherie Rawlings, former resource teacher, expressed gratitude for the Concurrent

Enrollment Program and commented on large classrooms and waste in the schools.

## **7. Other Business**

Co-Chair Newbold explained to the committee that a work sheet has been provided for the subcommittee to use in coming to decisions of how and where to make the budget reductions. Suggestions need to be made to the Chairs. She expressed appreciation to the committee and asked each Legislator to share their thoughts.

Rep. Reisen would like to engender some discussion that no one wants to talk about. Every piece of data available suggest our students need more education, not less. He asked if we should be forced to cut when our children's education is at stake? He suggested that holding Public Education harmless without increasing revenue doesn't make any sense and would like to discuss the possibilities of enhancing revenues.

Rep. Hughes commented that he has heard many opportunities to cut without cutting meat and bones. There are other choices to utilize what we have, that people aren't willing to do. He suggests finding ways to stretch, innovate, and use dollars as we haven't done before.

Rep. Cosgrove had questions along with suggestions. He wanted information on Testing under the USOE budget and how much the testing costs. He would like to get a copy of this. The USOE will have that information by the Wednesday meeting. Rep. Cosgrove commented that there could be an argument for having less tests and more time in the classroom, that it could be tried for a short while, and keep funding with the teachers.

Rep. Gibson asked about the "Youth at Risk Programs". Mr. Leishman responded that this contains funding for certain student populations, the largest portion are youth in the custody of human services and corrections education. It pays for education and classrooms. Another portion is for homeless students with high mobility, to help districts pay for educational services. Co-Chair Newbold asked how it is funded. Mr. Leishman replied that it is all state funds, but districts can opt to add local funds to the at risk population. The funding is derived based on student enrollment, it is one of the programs adjusted each year for student enrollment. The dollar amount is not specified by a certain population qualification, but the amount is identified by the Legislators as appropriations, and divided among the qualifying students in the program. Rep. Gibson would like the money used for students trying very hard to do everything they can to be in school and suggested this as an area to consider. Co-Chair Newbold asked the Superintendent how many students are in that program. Superintendent Shumway responded that a large part of the funds for that program go to the foster care program. Rep. Gibson commented that transportation funding is another area to consider looking at, and asked what Student Achievement and School Success covered. Ms. Hales replied that it is curriculum and staff development, Special Education, teacher development, licensing, Title I, CTE, counseling, school nurses and anything that has to do basically with teaching and learning.



Rep. Fowlke suggested some of the same areas as Rep. Gibson, as well as Extended Year for Special Educators and the matching funds for School Nurses. She asked what the Intervention for Student Success Block Grant is. Mr. Leishman replied that it is a block grant that goes to school districts designed for students not meeting UPASS standards, and for funding alternative high school programs in the school districts and charter schools. Rep. Fowlke would also consider looking at transportation and suggested eliminating the "below the line" items for school flexibility.

Rep. Poulson feels that the important part of the budget is what goes to every child. She would favor condensing the "below the line" items, and would like facts and figures about proposed savings with year round school, busing, and other proposals. She would like providing flexibility in transportation.

Sen. Morgan agrees with the comments of Rep. Reisen. She is in favor of cutting waste and inefficiencies, but the program presentations have shown how beneficial these programs are, and anywhere that is cut, is cutting into the bone. She asked if use of buildings and teachers working year round is an increase or decrease in cost. She agrees with looking at busing flexibility and suggests using the amount set aside years ago for education and rainy day funds. Sen. Morgan has some suggestions on her spreadsheet, which was distributed to the subcommittee, on moving things around that she would like the committee to look at and give feedback on. She would like feedback from the education community as well, and if these suggestions would give flexibility to schools. Co-Chair Newbold asked if the totals on this handout have any reductions, or just grouped differently. Sen. Morgan replied that there are no reductions, just moved for flexibility.

Mr. Leishman explained the handout of Sen. Morgan. Her goal was to simplify the total number of line items and put items where it is more appropriate for them to be. A new line item for Educator Salary Adjustment was moved and divided by the total value of the WPU, and she would like the State Board of Education to recommend how those funds would go to teachers that qualify for the program, and how to count WPU's for growth in the future. Most of the changes were Below the Line. Several programs were collapsed and grouped together, and the Legislative Initiative Programs were grouped together for easier monitoring. Two programs were moved to the USHE since funds flow through that office to Utah State University, and the remaining funding for Social Security and Retirement would go above the line to boost the value of the WPU. Voted and Board Leeways had entries that were consolidated and a program that has separate accounting was moved, but the funding is still with this budget.

Co-Chair Newbold asked Superintendent Shumway to share thoughts that the USOE has concerning the reductions. Superintendent Shumway responded that the State Board of Education understands the partnership between the Legislature and the state board and appreciates the opportunity to be partners. All programs are important and he suggested that

the programs be maintained. Utah is ranked first in education, and even though it is the top state for education, it is below the median for funding. Superintendent Shumway and the board are willing to look at ways to do things differently, but feels that the senior year needs to be strengthened and students need more education not less. Parents need to hold children and themselves accountable that the senior year is not wasted, thus wasting tax payer dollars.

Rep. Gibson commented that Teacher Salaries are important. Teachers don't get paid enough, but the class size reduction line item is one area that could be cut in these tough times. He can't support raising taxes until he knows everything that can be done, is being done.

Co-Chair Stephenson expressed appreciation for the discussion and the public input and commented that it is important to synthesize what has been proposed, which the Chairs will attempt to do. The Chairs, staff and the State School Board will get together to provide a starting point to work on. He feels that eliminating programs that aren't producing, and spreading the reduction across those that are working well, is the best way.

Co-Chair Newbold asked the committee to also consider where to restore funds if there are any available.

Rep. Fowlke asked if the rainy day funds can be used and suggests that as a reduction solution. Co-Chair Newbold replied that the subcommittee was asked to find places to cut.

Rep. Cosgrove expressed appreciation for the USOE, and commented that it is apparent that the reduction solution is not a one-size fits all. It is too difficult to choose which programs not to fund and would recommend cutting them across the board equally.

**MOTION:** Rep. Fowlke moved to adjourn.

The motion passed unanimously with Sens. Buttars, Hillyard and Morgan; and Reps. Garn, and Lockhart absent for the vote.

Co-Chair Newbold adjourned the meeting at 5:04 P.M.

Minutes were reported by Karen C. Allred, Senate Secretary

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Sen. Howard A. Stephenson, Co-Chair

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Rep. Merlynn T. Newbold, Co-Chair